

Insurance Committee amendments pending.

PRESIDENT: Senator Landis, please.

SENATOR LANDIS: Thank you, Mr. President, and members of the Legislature, the committee amendments are a rewrite of the bill so don't be scurrying for the green copy, take a look at the committee amendments because that's the bill in the case of 214. LB 214 is a statistical reporting bill on insurance companies that are running property or casualty lines in this state. Where does the idea come from? Well, three years ago we had the liability crisis in which liability lines of insurance had their price tags jump and a whole lot of argument in the Legislature and elsewhere about tort reform. The opponents of tort reform said, you know, the insurance companies are making money and they're salting money away in their reserves and it's boom and bust pricing from the insurance companies that are really creating this so-called tort reform liability crisis. We went to proving that case and couldn't come up with anything. There was no standardized statistical evidence, nothing that really let us know, through our accounting procedures and the like, whether or not those claims were true and false. Quite commonly around the state...the country, rather, as the tort reform liability insurance crisis spread, states started passing statutes requiring insurance companies to report information to the departments. Why? So that it could be analyzed to, if you will, give some kind of in-house critique of the issues of affordability and availability of insurance, to have the state bureaucrats be able to at least analyze the claims of the industry to see if there was merit to those claims or not. Remember, that there is no national insurance reporting because this is a state-regulated industry and, basically, LB 214 is our attempt to create authority for statistical reporting of insurance which would allow our state regulators and then the Legislature to know the profitability, the loss history, if you will, of Nebraska companies, companies doing business in Nebraska; also to have the companies which are either in supervision or conservatorship or liquidation listed for the Legislature in an annual report. The terms of the committee amendment basically are to require on the part of insurance companies the obligation to file information; secondly, of giving to the department the rules and regs authority to draft the appropriate statistical informational request; third, the power of the department to, if necessary, contract with a statistical service which either exists already in the forms of